

**DRAFT MINUTES
GAMING ADVISORY COUNCIL**

*November 17, 2006
Helena, Montana*

Please note: This is a summary of the Council meeting. The meeting in its entirety is on tape at the Gambling Control Division office at 2550 Prospect Avenue, Helena, Montana. Exhibits are on file in the office of the Gambling Control Division.

COUNCIL MEMBERS PRESENT

Sen. Joe Tropila
Bill Thomas
Pam Kennedy
Steve Morris
Fred Guardipee

Rep. John Witt
Nick Murnion
Tim Carson
John Tooke

DIVISION STAFF PRESENT

Gene Huntington
Rick Ask
Jeff Bryson
Kathy Baertsch

Ben Kamerzel
Al Arvish
Cregg Coughlin

SUMMARY OF COUNCIL ACTION

- ♠ The Council voted unanimously to approve the Biennial Report.
- ♣ The Council voted unanimously to approve the following legislative proposals: general revision to card games, including changes to temporary dealer licenses, social card games and card tournaments.
- ♥ The Council voted unanimously to leave the current card table fee structure in place; to maintain the current \$300 poker table pot limit.
- ♦ The Council approved the proposed responsible gambling legislation.
- ♠ The Council voted unanimously to approve the proposed bingo legislation.
- ♣ The Council approved proposed rules related to the automated accounting and reporting system.
- ♥ The Council tentatively set the next meeting in Helena after the legislative session.

CALL TO ORDER AND ROLL CALL

Chairman Witt called the meeting to order at 9 a.m. All members were present. The minutes from the July 21, 2006 meeting were adopted unanimously. All committee

members introduced themselves. Attorney General Mike McGrath addressed the Council. Attorney General McGrath thanked the Council for all of their hard work and personally thanked those Council members who will not be returning, for all of their efforts in the past. Mr. Huntington introduced Zoanne Atwood from Intralot Montana, the company that provides the system for the Montana Lottery. Ms. Atwood stated that they totally support the mission of the Montana Council on Problem Gambling and delivered a check for \$25,000 to support this to the Attorney General. Chairman Witt thanked Ms. Atwood on behalf of the Council for the support of Intralot Montana.

BIENNIAL REPORT

Gene Huntington presented the Council's biennial report. After a brief discussion, Nick Murnion moved to approve the report and authorize the Chairman to approve the final report. The motion was seconded by Tim Carson and passed unanimously.

LIQUOR LICENSING LEGISLATION

Shauna Helfert, Department of Revenue, presented a report concerning proposed legislation to address court decisions affecting out-of-state liquor license ownership and importation of wine. The winery legislation would allow both in and out of state access to direct distribution from retailers with some limits. The legislation clarifies that all courts have concurrent jurisdiction over liquor laws.

POKER LEGISLATION

Gene Huntington discussed the proposed legislation related to revising laws related to card games. The Council reviewed and voted on 17 proposed changes to card game laws and approved nine of the proposals. Senator Tropila moved to approve the legislation eliminating regulation of some social card games and the motion passed unanimously. The proposed law to allow electronic poker tables died. After much discussion, the proposal to increase card table fees died and a motion by Steve Morris to leave the current fee structure in place passed unanimously. The proposed increase in dealer license fees (\$250 for new licenses - \$150 renewals), failed in a tied vote (4-4). The proposal to require card dealers to apply in person for the temporary license and wear their license passed unanimously. A motion was made by Senator Tropila to maintain the \$300 pot limit - the motion passed unanimously. A motion was made concerning posting of rules of play and credit gambling, the manner of rake-off does not have to be posted but is covered by rules. The motion passed unanimously. The proposed change on limiting card tournaments to 60 days died for lack of a motion. A motion to increase the card tournament license fee to \$50 per table was made by Pam Kennedy but the motion died for lack of a second. Steve Morris moved to approve legislation to provide for charitable card tournaments in a licensed establishment and the motion passed unanimously. John Tooke moved to approve the proposal to allow a card tournament

prize to include the right to go to another tournament, the motion passed unanimously. Tim Carson's motion to limit tournament payouts/prizes using the Governor's alternate language limiting the buy-in to \$2,500 passed unanimously. Pam Kennedy's motion to increase the card room contractor fee to \$500 passed unanimously. Tim Carson's motion to clarify that card tournaments are not part of casino nights passed unanimously. The proposal to regulate house players passed unanimously.

RESPONSIBLE GAMING LEGISLATION

Rich Miller stated that the MTA and the Montana Coin Operators support this legislation. The Council approved the proposed legislation to provide specific authority for the Gambling Control Division to participate with other state and tribal agencies in public information programs directed at responsible gambling.

BINGO & OTHER LEGISLATION

Mark Ehli suggested that the Council consider further changes to bingo such as a better variety of prizes, squares and a variety of ways to win. He believed that there needs to be a provision where the Division can approve new game proposals. Mr. Ask stated that the law would have to give general parameters. Sandy Jones agreed that something needs to be done to keep bingo alive. Pam Kennedy's motion to approve the proposed bingo legislation passed unanimously.

PROPOSED RULES - AUTOMATED ACCOUNTING & REPORTING

The Council reviewed proposed rules relating to the automated accounting system and unanimously approved both of the Division's proposed rule notices.

ADMINISTRATOR'S REPORT

Gene Huntington provided a brief report and updated the Council on tribal negotiations. Video gambling taxes set another record high quarter of \$15 million. Congress passed Unlawful Internet Gambling Enforcement Act (UIGEA) in recent weeks and rules are to be issued next spring. Mr. Huntington also reported progress in implementing the new database. Mr. Huntington reported that Division staff had cleared all prior year audits and were current for the first time in many years.

FINAL BUSINESS

The Council will not meet until after the legislative session.